

## **Salary Advances and Recovery of Salary Arrears Policy**

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| <b>Authorship:</b>                          | Finance Manager  |
| <b>Committee Approved:</b>                  | CCG Audit Group  |
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| <b>Equality Impact Assessment</b>           | Screening Completed  |
| <b>Sustainability Impact<br/>Assessment</b> | Completed  |
| <b>Target Audience:</b>                     | All employees, members, committee and sub-committee members of the group and members of the governing body and its committees. |
| <b>Policy Reference No:</b>                 | FM08   |
| <b>Version Number:</b>                      | 1.0  |

**The intranet version is the only version that is maintained. Any printed copies should, therefore, be viewed as ‘uncontrolled’ and as such may not necessarily contain the latest updates and amendments.**

## POLICY AMENDMENTS

Amendments to the Policy will be issued from time to time. A new amendment history will be issued with each change.

| <b>New Version Number</b> | <b>Issued by</b> | <b>Nature of Amendment</b> | <b>Approved by &amp; Date</b> | <b>Date on Intranet</b> |
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## 1 INTRODUCTION

The CCG's Constitution, which also incorporates the CCG's

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- Standing Orders (SO's)
- Standing Financial Instructions (SFIs)
- Scheme of Delegation (SD)
- Prime Financial Policies (PFPS)

Also requires the CCG to develop more detailed policies to ensure that it operates with sound financial controls and good corporate governance.

## 2 IMPACT ANALYSES

### 2.1 Equality

As a result of performing the screening analysis, the policy does not appear to have any adverse effects on people who share Protected Characteristics and no further actions are recommended at this stage.

### 2.2 Sustainability

A Sustainability Impact Assessment has been undertaken. No positive or negative impacts were identified against the twelve sustainability themes.

### 2.3 Bribery Act

This Policy is designed to contribute to the CCG's obligation to ensure adequate measures are in place to prevent acts of bribery within the meaning of the Bribery Act 2010.

## 3 SCOPE

This policy applies to:

- All CCG employees, including all full and part-time staff, staff on sessional or short term contracts, Lay members, students and trainees (including apprentices), agency staff, seconded staff
- Members of the CCG's Board, Committees, Sub Committees and Sub Groups, including co-opted members, appointed deputies and members of committees/groups from other organisations
- Members of the CCG (Council of members) – defined as GP partners (or where the practice is a company, each director) and any individual directly involved with the business or decision making of the CCG e.g. representatives at the Council of Members, GP portfolio leads

## 4 POLICY PURPOSE AND AIMS

The main aim of this policy are:

- To ensure that all CCG staff, which are paid via payroll are paid the correct salary, allowances and benefits that are due to them and that no individual is put at financial disadvantage as a result of exceptional circumstances, especially where these circumstances have not been caused by the individual themselves.
- To ensure that the CCG minimises the risk relating to overpayment of salaries to members of staff and have appropriate procedures in place to recover overpayments.

In addition it is important to note:

- All employees are responsible for checking their payslips monthly. They are expected to behave honestly and bring any anomalies to the attention of their line manager and the payroll department as a matter of urgency.
- It is recognised that occasional overpayment of staff will occur in error. As public monies are involved, the CCG has a prima facie responsibility to ensure that overpayments are recovered.
- The purpose of this policy is therefore to ensure that there is a consistent and fair approach to overpayments and to ensure that any errors are corrected promptly and overpayments recovered appropriately.
- Line managers have an important role to play in the management of overpayments to staff. Procedures involving the commencement or termination of staff, as well as any amendment of staff employments terms and conditions should be promptly applied at all times, to ensure incorrect payments are minimised.

## 5 KEY DEFINITIONS

Salary advance payment or payments will only be made in exceptional circumstances, such as:

- If an employee has started after the payroll deadline, and the starter information has not been received in time to put the employee on the payroll.
- If an employee has been re-graded or has their hours increased and the information is not processed in time to adjust the monthly payment.
- A payroll error has been made, and the recovery of the overpayment will cause the employee financial hardship.
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Budget Holders and Line Managers should be aware that there is a clear distinction between a salary payment error and a salary payment fraud. Where Budget Holders/Line Managers suspect that a salary overpayment has occurred as a result of an individual's **intentional dishonesty** and there has been either a

**financial gain** to an individual and / or a **financial loss** to the CCG, then they should refer and act in the basis of BREACH TO THIS POLICY section.

For this policy Payroll errors are therefore defined as invalid payroll anomalies which have resulted from any other reason than fraud.

## 6 ROLES, RESPONSIBILITIES AND DUTIES

A) For A Salary Advance To Be Made And Considered:

1) The person who has noticed the pay error (who could be, any of the following):

- The individual themselves.
- The person's Line Manager
- The Budget Holder for the person
- Payroll
- CCG or CSU Finance Manager
- HR Manager
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Should contact The Senior Finance Manager/Finance Manager.

2) The Senior Finance Manager/Finance Manager should review the information regarding the payroll anomaly supplied, and speak to the relevant person's Line Manager/Budget Holder to obtain true facts which has led to the potential need for the pay advance.

3) Assuming there are no grounds for suspecting that anything other than payroll error has either occurred or will occur, Finance should:

- Request that the Budget Holder/Line Manager speak to the employee in question to:
  - a) Ascertain whether they need a salary advance.
  - b) To obtain their agreement that if any salary advance is made to them, that any salary advance will be recovered in a future period or periods once the "proper" payment has been made via payroll.
- The employee should be requested to confirm both of the above points in email/letter.
- Upon receipt of the employees formal request for a salary advance, the Budget Holder needs to formally request a payment request on behalf of the employee (via email/letter). This should be sent via email or letter to the Senior Finance Manager/Finance Manager, who will arrange with payroll to calculate the interim payroll payment request (and communicate the precise payment and recovery details to the individual) and ensure the payment is made to them in a timely manner.
- All recoveries of advances are checked by Embed, who look after our monthly Control Account reconciliations.

B) Recovery of Pay and Allowances – Where The Staff Continues To Be Employed By The CCG

1) Upon discovery of a past overpayment, the process outlined to point 3) of the section above for forthcoming or current payment difficulty should be followed, with the following amended or additional stages.

2) Within 5 working days of the discovery of an overpayment, a letter should be sent to the employee advising that an overpayment has occurred and that a communication to correct future payroll payments has been made to prevent further overpayments. The letter should also state:

- The cause of the overpayment, the value and clear calculations of the amount
- Where an overpayment relates to the most recent pay period, that full recovery will be made in the following pay period
- Where an overpayment relates to a number of pay periods a schedule of proposed payments will be included in the letter
- The employee will be given a contact number to discuss the terms of the prepayment.
- Repayment periods should not normally exceed a year unless the period of overpayment exceeds a year.
- Should the member of staff leave the organisation, then the remaining amount will be deducted from the final salary payment and if the money still owes an invoice will be sent.

C)

- Upon discovery of a past overpayment, the process outlined to point 3) of the above section should be followed.
- Prior to departure of all staff, the line manager should ensure that the employee provides a forwarding address, in case any potential under/over payment situation arises.
- However, within 5 working days of discovery of an overpayment a letter should be sent to the ex-employee's line manager and to the ex-employees home address, advising them that an overpayment has occurred and detailing the reason and calculation of the amount.
- The ex-employee should be given a contact telephone number in the letter, to discuss the terms of repayment.

## **7 BREACHES OF THE POLICY**

Breaches of this policy may be investigated and may result in matter being treated as a disciplinary offence under the CCGs disciplinary procedure.